

Message Text

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PAGE 01 STATE 061419

62

ORIGIN XMB-04

INFO OCT-01 AF-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

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DRAFTED BY:XMB:JOHN W. LENTZ

APPROVED BY:EB:IFD:ODF:RANDOLPH SWART

XMB:CLAYTON NORRIS

EB:IFD:ODF:IBLANEY

AF:C:MGALLAGHER

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R 130516Z MAR 76

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

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E.O. 16652: N/A

TAGE: EGEN

SUBJECT: EXIMBANK COVERAGE OF INGA-SHABA OVERRUN

REF (A) KINSHASA 1405

(B) KINSHASA 2029

1. APPLICATION TO EXIMBANK FOR INGA-SHABA OVERRUN REFERRED
TO CONGRESS MARCH 10. CONGRESSIONAL REVIEW PERIOD EXPECTED
TO EXPIRE APRIL 3.

2. IN ORDER TO CALM MK/CIS FEARS ON FUTURE OF PROJECT, EXIMBANK
HAS BEEN AS FORTHCOMING AS POSSIBLE ON PROBABLE CONDITIONS OF
ANY FINANCING ASSISTANCE THAT MIGHT BE APPROVED. SPECIFICALLY,
EXIMBANK HAS SUGGESTED GOZ MIGHT BEGIN TO FOCUS ON SOURCES OF
FIANCING FOR (1) 10 PERCENT CASH PAYMENT ON U.S. COSTS OF
OVERRUN (DOLS 7.6 MILLION) WHICH BE REQUIRED TO BE PAID IN
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PAGE 02 STATE 061419

PRIOR TO DISBURSEMENTS UNDER ANY EXIMBANK CREDIT, AND (2) LOCAL

COSTS FOR WHICH EXIMBANK WILL REQUIRE BUDGETARY OR OTHER PROVISION SATISFACTORY TO BANK BE MADE. EXIMBANK NOT PREPARED TO EXTEND LOCAL COST GUARANTEE ON OVERRUN. MOST IMPORTANT CONDITION, AS EMBASSY AWARE, IS ESTABLISHMENT OF TRUST ACCOUNT OUTSIDE ZAIRE INTO WHICH POWER PAYMENTS WOULD BE MADE IN FOREIGN EXCHANGE. IN THIS CONNECTION, EXIMBANK UNDERSTANDS GOZ HAS STILL NOT SENT TELEX TO IBRD TO PERMIT BANK REVIEW OF IBRD TRUSTEE ARRANGEMENT UNDER ITS CREDIT FOR GECAMINES (REF. A, PARA. 3). EXIMBANK WOULD APPRECIATE RENEWED EMBASSY EFFORT TO GET TELEX SENT.

3. EXIMBANK WILL MEET WITH ENTIRE COMMERCIAL BANK SYNDICATE LED BY FNCB MARCH 17, TO DISCUSS SYNDICATE'S PARTICIPATION IN OVERRUN. KISSINGER

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Message Attributes

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Disposition Date: 28 MAY 2004
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